

RESOLUTION NO. 08-158

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EMERYVILLE
APPROVING THE ANNUAL PROGRESS REPORT ON IMPLEMENTATION
OF THE HOUSING ELEMENT OF THE GENERAL PLAN FOR 2007 AND
AUTHORIZING SUBMITTAL TO THE CALIFORNIA DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT.**

WHEREAS, California Government Code Section 65400 requires cities to prepare annual progress reports on implementation of housing elements of general plans; and

WHEREAS, an annual progress report on implementation of the Housing Element of the General Plan for Calendar Year 2007 ("the report") has been prepared; and

WHEREAS, on September 16, 2008, the City Council of the City of Emeryville reviewed the report; now therefore, be it

RESOLVED, that the City Council of the City of Emeryville approves the report and finds that the report accurately reflects the City's progress in implementing the Housing Element of the General Plan; and be it

FURTHER RESOLVED, that the City Council authorizes submittal of the report to the California Department of Housing and Community Development, as required by statute; and be it

FURTHER RESOLVED, that the City Council has confirmed that the report is not a project as defined in CEQA Guidelines Section 15378 because it is an administrative activity that has no potential for resulting in a change in the environment.

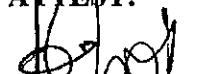
APPROVED by the City Council of the City of Emeryville at a regular meeting held on Tuesday, September 16, 2008, by the following votes:

AYES: (5) Mayor Bukowski, Vice Mayor Atkin and Councilmembers Davis, Fricke & Kassia

NOES: (0) None **ABSTAINED:** None

EXCUSED: None **ABSENT:** None

ATTEST:


CITY CLERK


MAYOR

APPROVED AS TO FORM:


CITY ATTORNEY

**Annual Progress Report
on Implementation of the Housing Element
City of Emeryville
Report Period: January 1, 2007 – December 31, 2007**

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A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued CY 2007: 140

2. New Permits Issued in CY 2007 by Affordability Level:

<u>Project Name</u>	<u>Address</u>	<u>Tenure</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Market Rate</u>	<u>Total Units</u>
Glashaus Lofts*	65/th/Hollis	Ownership	0	0	0	48	48
Adeline Place	3801 San Pablo	Ownership	0	0	13	23	36
Oak Walk Condos	San Pablo/40 th to 41 st	Ownership	0	4	0	49	53
Salem Manor	4333 Salem	Ownership	0	0	0	3	3
		TOTALS	0	4	13	123	140

*Glashaus Lofts has a total of 145 units in two phases, a townhouse phase and a podium phase. 97 of the building permits for Glashaus Lofts were issued in CY2006, and 48 in CY2007. The 29 Below Market Rate (BMR) units in the entire 145-unit project were included in the CY2006 reporting period.

3. Regional Housing Need Allocation: The Association of Bay Area Governments (ABAG) Executive Board adopted the final Regional Housing Need Allocation (RHNA) for Bay Area jurisdictions on March 20, 2008. The RHNA covers the period July 1, 2006 through June 30, 2014 and represents the number of housing units, by income level, for which cities and counties must plan through zoning and other regulatory and programmatic means.

Progress Toward ABAG Housing Goals

	<u>Income Level</u>				<u>Total Units Permitted</u>
	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Market Rate</u>	
Building Permits Issued July 1, 2006 – December 31, 2006 (Glashaus project)	5	6	18	95	124
Building Permits Issued January 1, 2007 – December 31, 2007	0	4	13	123	140
Total Building Permits July 1, 2006- December 31, 2007	5	10	31	218	264
ABAG RHNA Housing Goals	186	174	219	558	1137
Percentage of Housing Goals met July 1, 2006 – December 31, 2007	3%	6%	14%	39%	23%

B. Attainment of housing goals and objectives

1. Actions taken

Goal I. Preserve existing housing stock.

Objective I-A. Promote preservation of existing housing through the Emeryville Housing Rehabilitation Program. Emeryville's Housing Rehabilitation Program will provide funding for 17 projects per year.

Emeryville's Housing Rehabilitation Program is funded through federal Community Development Block Grant (CDBG) funds received on an annual basis, and Redevelopment Agency housing funds. A total of 15 projects were funded under this Program.

Ten projects were funded utilizing CDBG funds in 2007, as follows:

- three housing rehab loans
- four minor home repairs grants
- one accessibility grant
- two exterior paint grants

Five projects were funded utilizing Redevelopment Agency funds in 2007, as follows:

- one accessibility grant
- four exterior paint grants

Program I-A-1. Increase funding for the Emeryville Housing Rehabilitation Program on a demand basis up to 50% through a combination of Redevelopment and Community Development Block Grant (CDBG) funds.

CDBG funding has seen a minor reduction in the allotment that the City receives from Alameda County. The City does receive program income payments from loan pay-offs and monthly loan

payments. In 2007, the Redevelopment Agency approved an increase in funding to the Housing Rehabilitation Program from \$100,000 to \$290,000 per year. Since this funding is available to both low and moderate-income households, the increase will benefit the program greatly.

The Non-housing Redevelopment Tax Increment Fund has been used to add the following grant programs, which are available to all property owners regardless of income levels: concrete buyback, wrought iron fence, multi-family façade improvement and graffiti abatement. The graffiti program is also available for commercial properties. The multi-family façade improvement program will use housing funds if properties qualify.

Program I-A-2. Make all types of rehabilitation loans and grants available to both homeowners and landlords. Make major accessibility grants available to homeowners, and make seismic retrofit loans and minor repair grants available to landlords.

Minor home repair and seismic retrofit grants are for low-income homeowners as they are funded with federal CDBG funds, which can only be made available to households up to 80% of the area median income (AMI). The minor home repair grants are very small (\$1,000) and are for repairs such as plumbing, electrical work, locks and broken windows. If more expensive repairs are necessary, the seismic retrofit grant program for owner-occupied units can be supplemented with the owner-occupied loan program.

All other programs (exterior paint grants, accessibility grants, and rehabilitation loans) are open to owners of low and moderate owner-occupied units and to rental property owners who own property occupied by low-to-moderate income tenants. These programs are funded with both CDBG and Redevelopment housing funds, the latter of which can be made available to households up to 120% of AMI.

Program I-A-3. Continue existing marketing and establish new marketing efforts for the Emeryville Housing Rehabilitation Program, directed to landlords and homeowners in the historic residential neighborhoods east of Hollis Street and east of San Pablo Avenue.

The City has marketed the rehabilitation program through the "Emeryville Connection", a monthly newsletter that the Emeryville Chamber of Commerce sends to each resident and business in the city. Staff has also marketed the program at neighborhood meetings. Information on the Housing Rehabilitation Program is also found on the City's website on the Economic Development and Housing Department webpage.

Objective I-B. Maintain and improve existing housing, especially the historic neighborhoods east of Hollis Street and east of San Pablo Avenue.

Policy I-B-1. Continue the Community Preservation Program to improve maintenance of residences in the historic neighborhoods. Provide rehabilitation program information and conduct code inspections on a case-by-case basis.

The Community Preservation Committee administers this program, assisted by the Community Preservation Officer and City Attorney's office. The program includes code inspections and

cooperation with other city departments to resolve maintenance issues with property owners city-wide. An interdepartmental Community Preservation Committee, supported by staff, meets monthly to track progress with all problem properties.

Program I-B-2. Continue the "Emeryville Is Proud" award program for well maintained residential and commercial properties.

This program was discontinued due to limited staff resources. Also, most properties are well maintained in the City through residents' and business owners' initiative as well as the availability of the Housing Rehabilitation Program.

Objective I-C. Replace affordable housing that must be demolished as part of a City action.

Policy I-C-1. Continue to review aggregate housing demolition and construction in the City each year, and review the overall housing provision plan to confirm that there will be no net loss through demolition of very low, low and moderate income units.

In October of 2006, the City adopted an ordinance that requires City Council approval for the demolition of any residential unit. A residential demolition permit must be accompanied by entitlements for the replacement structure (i.e. use permits, design review, and any required variances), which must be approved by the City Council, and the replacement structure must provide at least as many units as are demolished.

A total of five residential units were demolished in 2007. Four houses were demolished as part of the Oak Walk project, and another house was demolished for the Salem Manor project (to be replaced by three units).

Goal II. Promote a variety of housing types and affordability levels.

Objective II-A. Support development of new housing for very low, low and moderate income households to meet Emeryville's fair share allocation of regional affordable housing need, as established by the Association of Bay Area Governments. Develop 104 very low income units and 73 low income units using the Redevelopment Agency's Low and Moderate Income Housing Fund and seeking funding for the remaining units.

Policy II-A-1. Make very low and low income housing a priority for use of the Redevelopment Agency's Low and Moderate Income Housing Fund (LMIHF).

In 2007, \$440,000 in funding was appropriated by the Redevelopment Agency through its Housing Capital Fund to establish four units within the 53-unit Oak Walk Condominium development as lower income units. Funding was appropriated through the Agency's Ownership Housing Assistance Program (OHAP), which provides low interest, deferred payment, "silent second" mortgages to lower income first time homebuyers.

The Glashaus Lofts project, which contains five very low income and six low income for-sale units (eleven total units) (as well as eighteen moderate income units), pursuant to an Agreement on Affordable Units between the developer and City, received a previous appropriation of OHAP funds for the very low and low income units totaling \$1.76 million, \$930,000 of which is funded through Agency Housing Capital Funds (the Low and Moderate Income Housing Fund), and \$830,000 from the Agency's allocation of State Calhome funds and CalHFA HELP funds. In 2007, three of these units closed escrow (totaling \$330,000). In 2008, the remaining eight low and very low income units will close escrow and utilize the remaining \$1.43 million in appropriation.

In October 2007, the Agency adopted a mid-cycle amendment to the Ten-Year Housing Compliance Plan covering the period 2005 through 2014. This document outlines the Agency's projected expenditures and programs for the Housing Compliance Plan period, and includes several projects to be implemented over the period that will contain low and very low income units. The Housing Compliance Plan also demonstrates, in compliance with the State Community Redevelopment Law, that the Agency will spend its Low and Moderate Income Housing Fund dollars for very low and low income households in at least the same proportion as the Regional Housing Need Allocation (RHNA) assigned for the City of Emeryville. The Agency's 2007-2014 RHNA for very low income category is 16% of the total allocation of 1,137 units – during the Agency's ten-year Housing Compliance Plan period, it is expected to spend 50% of its funding availability for this income level. The RHNA for the low income category is 15% of the total allocation; the Agency's projected ten-year expenditures for this income level are 22% of its total resources.

Policy II-A-2. Include some low and very low income housing in Redevelopment Agency assisted development projects whenever feasible.

Projects completed in 2007 with low or very low income units include the Avenue 64 development at 64th and Christie, which includes eight units designated as Below Market Rate ("BMR") Units for low income households, and Vue 46 at Adeline/46th, which includes three units for sale for low income households (through an appropriation of downpayment assistance from OHAP). Also completed in 2007 was Icon Park Avenue (1401 Park), which includes three BMR units for very low income households.

Several projects under construction during 2007 will include low or very low income units. These include the Glashaus Lofts, which will include five very low income ownership units and six low income ownership units, and Oak Walk New Construction Condos, which will include four low income ownership units.

Program II-A-3. Continue funding for the Vacant Housing Program, which provides first-time home buyer opportunities for low and moderate-income households.

The Vacant Housing Program (also known as the Infill program), which was a Redevelopment Agency-funded and developed first-time homebuyer housing program, has become obsolete as the private sector has taken the main initiative to renovate residential properties and construct infill housing. The last Vacant Housing Program units were developed in 1998.

Program II-A-4. Expand the First-Time Homebuyers Program to provide 1.5 times buyer's down payment up to 15% of purchase price for low and moderate-income households.

The First Time Homebuyers Program guidelines have been amended to include this program provision.

In 2007, 24 households benefited from the First-Time Homebuyer Program. Other home ownership programs include the CalHOME Program (four loans), the Ownership Housing Assistance Program (five loans) and HELP (two loans) Program, both of which provide downpayment assistance loans to lower income households purchasing Below Market Rate Units.

Program II-A-5. Leverage State and Federal funding programs to maximize the number of affordable units and/or the number of units available to low and very low income households, whenever possible.

The City applied for and received a \$1 million grant from the State Housing and Community Development Department CalHOME Program and a \$1.5 million loan from the CalHFA HELP Program in 2005. These programs are being used to provide \$30,000 silent second, down payment assistance loans in combination with funding from the Agency's LMIHF (\$80,000 for low income buyers, and \$190,000 for very low income buyers) for combined loans of up to \$110,000 for low income buyers, and \$220,000 for very low income buyers. During 2007, the first HELP loans were funded: one within the Andante Phase II project, and one within Artisan Walk. There were five CalHome loans and two HELP Program loans funded in 2007. It is anticipated that the CalHOME grant will be fully expended in 2007, and the HELP funds expended by the end of 2008. The City did not receive any new State or Federal funding in 2007.

Program II-A-6. Encourage and facilitate the conversion of underutilized industrial sites to mixed-use or residential projects that include low and very low-income units.

The City has used assessment loans and grants and cleanup loans, along with a City consultant to expedite hazardous material review, to assist for-profit developers in developing residential projects on former industrial sites. Projects completed in 2007 include Vue 46, which includes three low income and six moderate income below market rate ownership units, Icon Park Avenue, and Avenue 64. The remediation of the Icon Park Avenue site involved treatment of the groundwater with injections of molasses and cheese whey to neutralize the hexavalent chromium and volatile organic compounds. The regulatory agency also required that the site be capped with an impervious surface and that no living areas be located on the first floor. This project included three very low income units. The remediation of the Avenue 64 site involved the removal of soils contaminated with petroleum hydrocarbons. Since the site was previously part of the bay, there were also organic materials, which could form methane gas, removed from the subsurface. This project includes eight units designated for low income households and fifteen for moderate income households.

Under construction in 2007 were Oak Walk New Construction condos with four low income units, and Glashauss Lofts with five very low income and four low income ownership units. Both

are being constructed on former brown fields.

Objective II-B. Amend the Zoning Ordinance to better facilitate the development of affordable housing, and retain existing affordable housing policies.

Policy II-B-1. Within a year after adoption of this Housing Element, change the regulations for multiple-use projects so that the Planning Commission may choose to exempt residential square footage from the floor area ratio (FAR, ratio of floor area to site area) calculations for a project, with a Conditional Use Permit. The revised regulation could include findings necessary to grant such an exemption, such as transit access or a mechanism to reduce the number of automobiles per unit.

In November of 2002, the Zoning Ordinance was amended to allow residential space exemption from the FAR in multiple use projects.

Policy II-B-2. Maintain the Affordable Housing Set-Aside Ordinance, requiring projects with 30 units or more to provide 20% of the units affordable to moderate, low or very low income households.

The Affordable Housing Set-Aside Ordinance has been maintained and implemented in 2007. Projects of thirty or more units that are approved by the Planning Commission have language included in the project Conditions of Approval requiring the applicant to comply with the Ordinance. Projects in which the City entered into an "Agreement on Affordable Units" to implement the Ordinance in 2007 included the Oak Walk Condominium Project (four low income for-sale units); and an amendment to the Icon Park Avenue project for three very low income rental units; this project was initially slated to be a for-sale project. In 2007, the City Council reviewed potential revisions to the Ordinance in terms of the mandated inclusionary set-aside requirements and directed staff to prepare a draft revised Ordinance for its subsequent review that changed the rental project inclusionary level to 9% moderate income and 6% very low income. This revision will be presented to the City Council in 2008.

Policy II-B-3. Continue the affordable housing density bonus, and Group Residential and Group Care as conditionally permitted uses. Within a year after adoption of this Housing Element, list emergency shelter and transitional housing in the definition of Group Residential.

In November of 2002, the Zoning Ordinance was amended to list emergency shelter and transitional housing in the definition of Group Residential. In June of 2006, the Zoning Ordinance was amended to add Group Care as a conditionally permitted use in the I-L zone.

Objective II-C. Encourage a variety of housing types and settings, energy efficiency and water conservation.

Policy II-C-1. Encourage non-traditional group housing, live-work units and housing in multiple-use projects and mixed-use areas.

Mixed-use projects completed in 2007 include: Icon Park Avenue (11 live-work units and a Café on ground floor) and Vue 46 (approximately 3,000 sq. ft. of retail/commercial space to be developed as a corner café at the 46th Street and Adeline Street). Under construction in 2007 were Adeline Place (2,400 sq. ft. of retail) and Oak Walk Mixed Use Project (residential/commercial mixed use development with 5,500 square feet of retail space).

Policy II-C-2. Encourage residential and live-work development in industrial areas where appropriate.

Residential projects completed on former industrial properties in 2007 include Avenue 64 (224 units), Vue 46 (47 units), Icon Park Avenue (43 residential and 11 live/work units), Blue Star Corner (20 units), and Doyle Street Condos (27 units).

Policy II-C-3. Encourage energy-efficient, water-conserving construction.

The City now requires project plans at the planning approval and building permit stage to show which of the Build it Green's Greenpoint Rating Checklist items or the appropriate LEED checklist items the project follows.

Goal III. Promote housing for special needs groups.

Objective III-A. Support development of affordable housing for single-parent families in transition, people with AIDS, seniors, large families, disabled people, and artists who have very low, low and moderate incomes. Ways to support housing for special needs groups include providing funding and technical assistance for the development of housing and the establishment of cooperatives.

Program III-A-1. Support development of service-enriched transitional housing for single-parent families who have been displaced by economic problems or domestic violence.

No action has been taken in 2007.

Program III-A-2. Support the inclusion of Shelter-Plus-Care units (rent-assisted units for people with mental illness, substance abuse and/or AIDS-related illness) in some multi-unit projects. These units could be combined with other programs, and could be used to meet part of the 20% Affordable Housing Set-Aside requirement.

No action has been taken in 2007.

Program III-A-3. Support development of affordable 3- to 4-bedroom units for large families (families with five or more members) in appropriate projects.

The Housing Committee and Planning Commission continue to support and encourage projects that contain larger units. Although none of the projects for which building permits were given in 2007 include 3 or 4-bedroom units, Glashaus Lofts offers 47 two bedroom units that have an

extra room that can be used as a third bedroom.

Program III-A-4. Support development of affordable housing for disabled people in small households.

No action has been taken in 2007.

Program III-A-5. Support the development of affordable housing including Shelter-Plus-Care units for people with AIDS-related illness.

No action has been taken in 2007.

Program III-A-6. Support development of affordable assisted-living and independent senior housing.

No action has been taken in 2007.

Program III-A-7. Support development of transitional housing for veterans with physical disabilities, mental disorders and substance abuse problems.

No action has been taken in 2007.

Program III-A-8. Support development of affordable live-work space for artists.

No action has been taken in 2007.

Objective III-B. Support assistance for veterans, teachers and public safety employees in obtaining housing in Emeryville.

Program III-B-1. Support assistance for veterans with physical disabilities, mental disorders and substance abuse problems to live in residential treatment centers, supervised work settings, or transitional or permanent housing.

No action has been taken in 2007.

Program III-B-2. Offer additional home loan assistance to low and moderate income Emery Unified School District employees, and moderate income Emeryville Police and Fire Department staff. Actively pursue funding to assist with this program.

The City offers more favorable homebuyer loan terms for teachers in the Emery Unified School District and all city employees by waiving the downpayment requirement; by providing City low-interest rate, deferred payment loans up to 20% of the purchase price; and by waiving the first time homebuyers requirement. One employee took up this offer in 2007.

Goal IV. Promote equal opportunity in housing.

Objective IV-A. Prevent and redress discrimination based on race, color, ancestry, national origin, religion, familial status, sex, marital status, sexual orientation, age, disability or source of income.

Program IV-A-1. Continue to have a contract with Housing Rights or another fair housing counseling organization to provide fair housing counseling, tenant-landlord mediation, public education and legal referrals.

Through its participation as a member of the Alameda County Urban County, which is an entitlement jurisdiction for federal Community Development Block Grant funds, the Urban County enters into a contract with Berkeley-based Housing Rights, Inc. to provide fair housing services to Emeryville residents.

Program IV-A-2. Effectively market the availability of the fair housing counseling service through a variety of means.

The counseling service is advertised on the public service television channel and local periodicals. Information is also available at City Hall reception area and on the Economic Development and Housing Department's webpage under Community Resources.

2. Effectiveness and outcomes

Goal I. Preserve existing housing stock.

Five residential units were demolished in 2007. Four houses were demolished for the Oak Walk project, and a house was demolished for the Salem Manor project but will be replaced by three units. Through an Owner Participation Agreement entered into between the Redevelopment Agency and the developer of the Oak Walk project in 2007, the developer is renovating five single family houses which will be sold as first time homebuyer housing to moderate income households. The developer was also required to relocate a four-plex building to an Agency-owned site at 4001 Adeline Street. In 2008, the Agency will be issuing a request for proposals to develop the four-plex as affordable rental housing.

Goal II. Promote a variety of housing types and affordability levels.

Overall in 2007, several residential projects were completed, including Blue Star Corner (20 units), Avenue 64 (224 units), Icon at Park (54 units), Vue 46 (47 Emeryville units), Icon at Doyle (27 units), and the townhouse phase of Glashauss Lofts (80 units). Ten percent of the total units were designated below market rate units.

It is estimated that 162 units will be completed in 2008, including the final podium phase of Glashauss Lofts (65 units), Salem Manor (3 units), Oak Walk new construction condos (53 units) and the Oak Walk 41st Street single family renovated houses (5 units), and Adeline Place (36 units). Forty of these projected units (25%) will be designated as affordable housing at the

moderate, low, and very-low income levels.

All projects of 30 or more units must comply with the City's Affordable Housing Set Aside Ordinance, which requires that 20% of the units in ownership projects be set aside for moderate income households and 9% of the units in rental projects be set aside for moderate income households and 6% for very low income households.

Goal III. Promote housing for special needs groups.

The City will consider any proposals that are made for special needs housing. In 2007, the City began its 2009 Housing Element update process and as of the preparation of this report (July 2008), the City Council has approved an initial draft which has been forwarded to the State Housing and Community Development Department. The draft 2009 Housing Element contains a number of new policies and programs specific to support of special needs housing.

Goal IV. Promote equal opportunity in housing.

Anti-discrimination clauses are standard in the City and Agency's agreements with housing developers, and failure to comply with fair housing laws is a violation of the City and Agency's agreements. The City, through its participation on the Urban County, contracts with Housing Rights, Inc. to provide fair housing counseling services to both tenants and landlords.

C. Progress toward mitigating governmental constraints identified in the housing element.

The Zoning Ordinance was amended in November 2002, changing the regulations for multiple-use projects to exempt residential square footage from the floor area ratio with a Conditional Use Permit, and listing emergency shelter and transitional housing in the definition of Group Residential. It was further amended in June of 2006 to add Group Care as a conditionally permitted use in the I-L zone.